suitable legislation in this regard at the appropriate time. This issue is under examination.

Losses Suffered by Air India on Account of Caribjet Deal

*606. SHRI SANJAY NIRUPAM: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India and Caribjet entered into some agreement; if so, the details of terms and conditions;

(b) whether Air India had to suffer a loss of around Rupees 100 crores due to inbuilt defective clause of the agreement and if not, the reasons for the losses;

(c) what efforts have been made to recover the loss; and

(d) whether income tax authorities have lodged some cases against Caribjet Airlines and if so, the details thereof?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) and (b) Air India had taken two A310-300 aircraft on wetlease from an Antiguan Company M/s. Caribjet initially for a period of six months with effect from December, 1994 at a lease rate of USD 3285 per hours. The lease was further extended upto December, 1995. Again in November, 1995 Air India concluded a fresh agreement with M/s. Caribjet Inc. for wet-lease of two L1011-500 aircraft and one A 310-300 aircraft for a period of two years effective from 1.1.96 on the following lease rate:

	For two L-1011-500	For one A 310-300
Minimum guarantee	333	333
Utilization (Hours Aircraft/Month)		
Lease Rates (USD/HR)		
0—333 HRS	5450	4822
333 + HRS	4628	3825

Air India terminated the wetlcase agreement with Caribjet with effect from September 4, 1996 on grounds of technical lapses and

non-fulfilment of various norms of Directorate General of Civil Aviation. Caribjet, on their part, in pursuance of the provisions of the agreement took the matter to Arbitral Tribunal, London. The Arbitral Tribunal after hearing the evidence of both the parties, oral and written submissions, declared their award on 19.1.99 on the issue of liability.

The Arbitral Tribunal heard the submission on quantum from both the parties in London in June, 1999 and has given its interim award on 15.11.1999. The tribunal despite best evidences put forth, determined that loss of profit was payable to M/s. Caribjet and awarded a net compensation USD 23.63 Million (Rs. 103 crores) to M/s. Caribjet for the remaining portion of the lease.

(c) No efforts can be made to recover these losses as the payment has to be made to M/s. Caribjet under an award made under UNCITRAL Arbitration Rules by an International Arbitration Tribunal.

(d) Air India had approached the Reserve Bank of India and the tax Authorities for a No Objection Certificate to remit the monies under the award. The tax Authorities advised Air India to remit these monies into the Government Treasury pending determination of M/s. Caribjet's tax liability in India.

Providing of telephone in rural areas by private basic operators

*607. SHRI RAJNATH SINGH 'SURYA' : Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the private basic telephone operators have not been able to fulfil the commitment of providing telephone connections in rural areas;

(b) if so, the reasons therefor;

(c) what action has been initiated against them; and

(d) if not, the reasons therefor?

THE MINISTER OF COMMUNICATIONS (SHRI RAM VILAS PASWAN): (a) Yes, Sir.

(b) to (d) It has been observed that the investments by licensed private basic service telephone operators has so far been made in